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Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference

Draft resolution submitted by the Vice-Chair of the Committee, Mr. Stefano Stefanile (Italy), on the basis of informal consultations on draft resolution A/C.2/67/L.29

Follow-up to the International Conference on Financing for Development

The General Assembly,

Recalling the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002, and the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha from 29 November to 2 December 2008, and its resolutions 56/210 B of 9 July 2002, 57/250, 57/272 and 57/273 of 20 December 2002, 57/270 B of 23 June 2003, 58/230 of 23 December 2003, 59/225 of 22 December 2004, 60/188 of 22 December 2005, 61/191 of 20 December 2006, 62/187 of 19 December 2007, 63/239 of 24 December 2008, 64/193 of 21 December 2009, 65/145 and 65/146 of 20 December 2010 and 66/191 of 22 December 2011, as well as Economic and Social Council resolutions 2002/34 of 26 July 2002, 2003/47 of 24 July 2003, 2004/64 of 16 September 2004, 2006/45 of 28 July 2006, 2007/30 of 27 July 2007, 2008/14 of 24 July 2008, 2009/30 of 31 July 2009, 2010/26 of 23 July 2010, 2011/38 of 28 July 2011 and 2012/31 of 27 July 2012,

Recalling also the 2005 World Summit Outcome,[1]

Recalling further the Conference on the World Financial and Economic Crisis and Its Impact on Development and its outcome document,[2]

Recalling the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals and its outcome document,[3]

[1] Resolution 60/1.
[2] Resolution 63/303, annex.
[3] Resolution 65/1.

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Recalling also the United Nations Conference on Sustainable Development and its outcome document, entitled "The future we want",[4]

Taking note of the summary by the President of the General Assembly of the fifth High-level Dialogue on Financing for Development, held in New York on 7 and 8 December 2011,[5]

Taking note also of the summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, held in New York on 12 and 13 March 2012,[6]

Taking note further of the summary of the special event on the financing of social development, held on 3 February 2012 during the fiftieth session of the Commission on Social Development,

Taking note of the special event on innovative mechanisms of financing for development, held on 12 July 2012, during the substantive session of 2012 of the Economic and Social Council,

Noting the ongoing work on innovative sources of financing for development, including in such forums as the Leading Group on Innovative Financing for Development,

Taking note of the report of the Secretary-General on the follow-up to and implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development,[7] the report of the Secretary-General on modalities of the financing for development follow-up process[8] and the report of the Secretary-General on innovative mechanisms of financing for development,[9]

Taking note also of the *World Economic and Social Survey 2012: In Search of New Development Finance*,[10] released in July 2012,

Expressing deep concern about the ongoing adverse impacts of the world financial and economic crisis, particularly on development, cognizant that the global economy, notwithstanding significant efforts, remains in a challenging phase with elevated downside risks, including turbulence in global financial and commodity markets, high unemployment and indebtedness in several countries and widespread fiscal strains, which threaten the global economic recovery and reflect limited progress towards sustaining and rebalancing global demand, and stressing the need to continue to address the systemic fragilities and imbalances and the need for continued efforts to reform and strengthen the international financial system,

Reaffirming the recognition, as contained in the outcome document of the United Nations Conference on Sustainable Development, of the need for significant mobilization of resources from a variety of sources and the effective use of financing, in order to give strong support to developing countries in their efforts to promote sustainable development, including through actions undertaken in

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[4] Resolution 66/288, annex.

[5] A/66/678.

[6] A/67/81-E/2012/62.

[7] A/67/339.

[8] A/67/353.

[9] A/66/334.

[10] United Nations publication, Sales No. E.12.II.C.1.

accordance with the outcome document of the Conference and for achieving sustainable development goals,

Taking note of the special event of the Second Committee on the theme "Sovereign debt crises and restructurings: lessons learned and proposals for debt resolution mechanisms",

1. *Reaffirms* the Monterrey Consensus of the International Conference on Financing for Development[11] in its entirety, its integrity and its holistic approach, and recalls the resolve to take concrete action to implement the Monterrey Consensus and to address the challenges of financing for development in the spirit of global partnership and solidarity in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals;

2. *Also reaffirms* that each country has primary responsibility for its own development and that the role of national policies and development strategies cannot be overemphasized for the achievement of sustainable development, and recognizes that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty;

3. *Reaffirms its determination* to advance and strengthen the global partnership for development, as the centrepiece of cooperation in the years ahead, as reaffirmed in the United Nations Millennium Declaration,[12] the Monterrey Consensus,[11] the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[13] the 2005 World Summit Outcome,[1] the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus,[14] the outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development,[2] the outcome document of the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals, entitled "Keeping the promise: united to achieve the Millennium Development Goals",[3] and the outcome document of the United Nations Conference on Sustainable Development, entitled "The future we want";[4]

4. *Recalls* the importance of the overall commitment to just and democratic societies for development, as spelled out in the Monterrey Consensus;

5. *Reaffirms* the importance of the implementation of the commitment to sound policies, good governance at all levels and the rule of law;

6. *Also reaffirms* that gender equality and women's empowerment are essential to achieve equitable and effective development and sustained, inclusive

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[11] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[12] See resolution 55/2.

[13] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[14] Resolution 63/239, annex.

and equitable economic growth, and reiterates the need for gender mainstreaming in the formulation and implementation of development policies, including financing for development policies, and for dedicated resources;

7. *Recognizes* that the mobilization of financial resources for development and the effective use of all of those resources are central to the global partnership for development, including in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals, and also recognizes that the mobilization of domestic and international resources and an enabling domestic and international environment are key drivers for development;

8. *Also recognizes* that sustained, inclusive and equitable economic growth contributes to the achievement of the Millennium Development Goals, including poverty eradication and hunger;

9. *Recalls* the resolve of Member States to enhance and strengthen domestic resource mobilization and fiscal space, including, where appropriate, through modernized tax systems, more efficient tax collection, the broadening of the tax base and the effective combating of tax evasion and capital flight, and reiterates that, while each country is responsible for its tax system, it is important to support national efforts in these areas by strengthening technical assistance and enhancing international cooperation and participation in addressing international tax matters;

10. *Expresses deep concern* about the ongoing adverse impacts of the global financial and economic crisis on development, including on the capacity of developing countries to mobilize resources for development, recognizes that there is a need to promote the recovery, and acknowledges that an effective response to the impacts of the crisis requires timely implementation of all development commitments, including existing aid commitments;

11. *Recalls* that the ongoing fight against corruption at all levels is a priority, reaffirms the need to take urgent and decisive steps to continue to combat corruption in all its manifestations in order to reduce obstacles to effective resource mobilization and allocation and to prevent the diversion of resources away from activities that are vital for development, recalls that this requires strong institutions at all levels, including, in particular, effective legal and judicial systems and enhanced transparency, recognizes the efforts and achievements of developing countries in this regard, notes the increased commitment of States that have already ratified or acceded to the United Nations Convention against Corruption,[15] and in this regard urges all States that have not yet done so to consider ratifying or acceding to the Convention;

12. *Reaffirms* the importance of implementing measures to curtail illicit financial flows at all levels, enhancing disclosure practices and promoting transparency in financial information, and in this regard notes that strengthening national and multinational efforts to address this issue is crucial, including through support and technical assistance to developing countries to enhance their capacities;

13. *Emphasizes* the need for more effective government involvement in order to ensure an appropriate regulation of the market, which promotes the public interest, and in this regard recognizes the need to better regulate financial markets and to promote economic stability, and sustained, equitable and inclusive growth;

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[15] United Nations, *Treaty Series*, vol. 2349, No. 42146.

14. *Also emphasizes* the need to pursue, at the national level and in a manner consistent with national laws, appropriate policy and regulatory frameworks through which to encourage public and private initiatives, including at the local level, and to foster a dynamic and well-functioning business sector, while improving income growth and distribution, raising productivity, advancing women's empowerment and protecting labour rights and the environment, and reiterates the importance of ensuring that the benefits of growth reach all people by empowering individuals and communities;

15. *Notes* that foreign direct investment is a major source of financing for development, and in this regard calls upon developed countries to continue to devise source-country measures to encourage and facilitate the flow of foreign direct investment, inter alia, through the provision of export credits and other lending instruments, risk guarantees and business development services; calls upon developing countries to continue their efforts to create a domestic environment conducive to attracting investments by, inter alia, achieving a transparent, stable and predictable investment climate with proper contract enforcement and respect for property rights; and stresses the importance of enhancing efforts to mobilize investment from all sources in human resources and physical, environmental, institutional and social infrastructure;

16. *Reaffirms* that international trade is an engine for development and sustained economic growth, and also reaffirms the critical role that a universal, rules-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can play in stimulating economic growth and development worldwide, thereby benefiting all countries at all stages of development;

17. *Emphasizes* the need to resist protectionist tendencies and to rectify any trade-distorting measures that are inconsistent with the rules of the World Trade Organization, recognizing the right of countries, in particular developing countries, to fully utilize flexibilities consistent with their World Trade Organization commitments and obligations;

18. *Expresses serious concern* at the lack of progress in the Doha Round of World Trade Organization negotiations, reiterates the call for the necessary flexibility and political will in order to break the current impasse in the negotiations, and in this regard calls for a balanced, ambitious, comprehensive and development-oriented outcome of the Doha Development Agenda multilateral trade negotiations, in keeping with the development mandate of the Doha Ministerial Declaration,[16] the decision of 1 August 2004 of the General Council of the World Trade Organization[17] and the Hong Kong Ministerial Declaration adopted by the World Trade Organization in 2005;[18]

19. *Underlines* the fact that the fulfilment of all official development assistance commitments is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national product for official development assistance to developing countries by 2015 as well as the target of 0.15 per cent to 0.20 per cent of gross national product for official development assistance to least developed countries, and urges developed countries that have not

[16] See A/C.2/56/7, annex.

[17] World Trade Organization, document WT/L/579.

[18] World Trade Organization, document WT/MIN(05)/DEC.

yet done so to fulfil their commitments for official development assistance to developing countries;

20. *Stresses* the essential role that official development assistance plays in complementing, leveraging and sustaining financing for development in developing countries and in facilitating the achievement of development objectives, including the internationally agreed development goals, in particular the Millennium Development Goals, reiterates that official development assistance can play a catalytic role in assisting developing countries in removing constraints on sustained, inclusive and equitable growth by, inter alia, enhancing social, institutional and physical infrastructure, promoting foreign direct investment, trade and technological innovations, improving health and education, fostering gender equality, preserving the environment and eradicating poverty, and welcomes steps to improve the effectiveness and quality of aid based on the fundamental principles of national ownership, alignment, harmonization, managing for results and mutual accountability;

21. *Also stresses* the need to strengthen and support South-South cooperation, while stressing further that South-South cooperation is not a substitute for, but rather a complement to, North-South cooperation, and calls for the effective implementation of the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation, held in Nairobi from 1 to 3 December 2009;[19]

22. *Considers* that innovative mechanisms of financing can make a positive contribution towards assisting developing countries in mobilizing additional resources for financing for development on a voluntary basis and that such financing should supplement and not be a substitute for traditional sources of financing and, while highlighting the considerable progress on innovative sources of financing for development achieved to date, stresses the importance of scaling up present initiatives and developing new mechanisms, as appropriate;

23. *Emphasizes* the special importance of a timely, effective, comprehensive and durable solution to the debt problems of developing countries in order to promote their economic growth and development;

24. *Also emphasizes* that debt sustainability is essential for underpinning growth, underlining in this regard the importance of debt sustainability and effective debt management to the efforts to achieve national development goals, including the Millennium Development Goals, and acknowledges that sovereign debt crises tend to be costly and disruptive, including for employment and productive investments, and tend to be followed by cuts in public spending, including on health and education, affecting, in particular, the poor and vulnerable;

25. *Stresses* that the financial and economic crisis has highlighted the need for reform as well as added new impetus to ongoing international discussions on the reform of the international financial system and architecture, including on issues related to mandate, scope, governance, responsiveness and development orientation, as appropriate, and in this regard encourages continued open, inclusive and transparent dialogue;

26. *Notes* the important efforts undertaken nationally, regionally and internationally to respond to the challenges posed by the financial and economic crisis, in order to ensure a full return to growth with quality jobs, to reform and

[19] Resolution 64/222, annex.

strengthen financial systems and to create strong, sustainable and balanced global growth;

27. *Recognizes* the need to continue to enhance the coherence and consistency of the international monetary, financial and trading systems and the importance of ensuring their openness, fairness and inclusiveness as complements to national development efforts to ensure sustained, inclusive and equitable economic growth and the achievement of the internationally agreed development goals, including the Millennium Development Goals;

28. *Reaffirms* the importance of broadening and strengthening the participation of developing countries in international economic decision-making and norm-setting, in this regard takes note of recent important decisions on the reform of the governance structures, quotas and voting rights of the Bretton Woods institutions, better reflecting current realities and enhancing the voice and participation of developing countries, and reiterates the importance of the reform of the governance of those institutions for delivering more effective, credible, accountable and legitimate institutions;

29. *Also reaffirms* that the United Nations funds and programmes and the regional commissions, and the specialized agencies of the United Nations system, in accordance with their respective mandates, have an important role to play in advancing development and protecting development gains, in accordance with national strategies and priorities, including progress towards achieving the Millennium Development Goals, and further reaffirms its determination to continue to take steps for a strong, well-coordinated, coherent, effective and efficient United Nations system in support of the Goals;

30. *Further reaffirms* the need to further intensify the engagement of regional commissions in the financing for development follow-up process, including through the provision of technical advice and analyses to be made available to Member States;

31. *Reiterates* the importance of ensuring a strengthened and more effective intergovernmental inclusive process for carrying out the financing for development follow-up;

32. *Recalls* paragraphs 255, 256 and 257 of the outcome document of the United Nations Conference on Sustainable Development, and in this regard stresses the need to reinforce coherence and coordination and to avoid duplication of efforts with regards to the financing for development follow-up process;

33. *Decides* to hold open, transparent and inclusive consultations to review and explore the modalities of the financing for development process, including possible arrangements to strengthen the process, as well as options for bringing together the various processes covering development financing in an integrated manner, taking into account the recommendations contained in the report of the Secretary-General on modalities of the financing for development follow-up process;[8]

34. *Recalls* its decision, in accordance with paragraph 90 of the Doha Declaration on Financing for Development, to consider the need to hold a follow-up financing for development conference by 2013, and also its decision to hold informal consultations with a view to taking a final decision on the need for such a conference by 2013;

35. *Decides* to hold the sixth High-level Dialogue on Financing for Development in the second half of 2013 at United Nations Headquarters, and requests the Secretary-General to prepare a note on the organization of work of that event, based on the organizational modalities of the fifth High-level Dialogue, to be submitted to the General Assembly before the end of its sixty-seventh session;

36. *Recognizes* the work of the Financing for Development Office of the Department of Economic and Social Affairs of the Secretariat, and encourages the Office, in collaboration with experts from the public and private sectors, academia and civil society, to continue its work in accordance with its mandate;

37. *Reiterates its appeal* to Member States and other potential donors to consider contributing generously to the Trust Fund for the Follow-up to the International Conference on Financing for Development, which would facilitate the implementation of a strengthened and more effective intergovernmental inclusive process for carrying out the financing for development follow-up;

38. *Decides* to include in the provisional agenda of its sixty-eighth session the item entitled "Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference", and requests the Secretary-General to submit, under the item, an annual analytical assessment of the status of implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development, and of the present resolution, which is to be prepared in full collaboration with the major institutional stakeholders.